



CLARK COUNTY HOUSING OPTIONS STUDY AND ACTION PLAN

Project Advisory Group Meeting #6

July 27, 2021 – 3PM to 5PM

SUMMARY

PAG Members: Stephan Abramson, Ron Barca, John Blom, Kate Budd, Victor Caesar, Nancy Dong, Eric Scott, Julia Getchell, Mark Maggiora, Martha Maier, Christina Marneris, Julie Olson, Heidi Rosenberg, Eric Scott.

County Staff: Jenna Kay.

Consultants: Steve Faust (3J Consulting); Elizabeth Decker (JET Planning).

Steve Faust welcomed PAG members and guests to the sixth PAG meeting and reviewed the agenda. Steve also reviewed the PAG process over the next 4-5 months.

Steve Faust and Elizabeth Decker presented possible strategies for Category B: Additional Regulatory Strategies, and Category E: Funding Options.

B. Additional Regulatory Options

While Category A focused on allowing more housing and more types of housing, Category B includes strategies to revise existing development requirements for housing to improve the feasibility and/or quality of development. These strategies primarily affect market-rate units with some refinements specific to regulated affordable housing.

- B-1. Reduce Off-Street Parking Requirements
- B-2. Revise Ground-Floor Commercial Requirements for Mixed-Use Development
- B-3. Simplify Design Standards
- B-4. Revise ADU Standards
- B-5. Manufactured Home and Tiny House Communities
- B-6. Transportation Improvement Standards

E. Funding Options

- E-1. Existing or New Local Option Taxes
- E-2. Local Housing Trust Fund
- E-3. "Found Land": Surplus Land and Other Opportunities
- E-4. Partner with Local Housing Providers
- E-5. Enhance Partnerships with Mission-Oriented Acquisition Funds
- E-6. State or Federal Funding Tools



PAG members discussed the proposed strategies in three discussion groups. PAG members were asked to discuss the following questions:

1. Which of the strategies presented should be priorities for this project? Which are important, but are longer term? Which should be removed from consideration?
2. Are we missing any strategies within these categories?

Group #1

A. Expand Zoning Permissions for Housing Development

A-1 Reduce Minimum Lot Sizes

- Changing zoning gets people upset, but changing regulations within existing zones seems less oppositional.
- Like that this supports middle housing.
- Unanimous support for this strategy.

A-2 Require a Minimum Density

- Unanimous support for this strategy.

A-3 Increase or Remove Density Limits

- Unanimous support for this strategy.

A-4 Upzone

- Support for this strategy if it makes sense in cooperation with the strategies above. These all encourage a more diverse housing stock.
- Upzoning may be more difficult from political and process perspectives.

A-5 Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4-plexes; townhouses; courtyard apartments, micro-housing)

- Unanimous support for these strategies.
- Only strategy that gives pause is A-5.8. How will locations for overlay zones be decided? Should just allow it in all zones. It would be more equitable.

A-6 Offer Density and/or Height Incentives for Desired Unit Types

- General support for this strategy.
- Hesitancy because it moves toward large developments that can be a problem if not maintained over time. Prefer mixture of housing types and sizes.

A-7 Expand Residential Uses in Commercial Zones

- Digital shopping has changed the commercial dynamic.

- Understand need to consider economic development as well. May just be a case of taking a closer look on a case-by-case basis to see what sites are not suitable for commercial development.
- Would like to see these parcels available for affordable housing.
- In Vancouver, you can develop affordable housing and not have to adhere to the first floor commercial requirement. It's a good incentive because market rate developers cannot develop those lots.

B. Additional Regulatory Strategies

B-1 Reduce Off-Street Parking Requirements

- Good idea to reduce these requirements to help meet the need.
- Should be tied to transit or public shared vehicle programs.
- Expand definition of senior housing to include people with behavioral health issues. A broader definition of what would qualify for these reductions.

B-2 Revise Ground-Floor Commercial Requirements for Mixed-Use Development

- Unanimous support for these strategies.
- I like the flexibility so it's not a one size fits all.

B-3 Simplify Design standards

- Concern about reducing open space requirements. There needs to be open space along with large apartment developments.

B-4 Revise ADU Standards

- General support for building on existing ADU provisions.

B-5 Manufactured Home and Tiny House Communities

- Unanimous support for these strategies.
- Concerns about rents/fees being raised in manufactured home parks.

B-6 Transportation Improvement Standards

- Some confusion about the intent of these strategies.

E. Funding Options

E-1 Existing or New Local Option Taxes and Levies

- Unanimous support for using local taxing tools to generate revenue for affordable housing.
- TIF is a new tool in Washington for cities, counties, and special districts.

E-2 Local Housing Trust Fund

- Don't think this tool is worth pursuing relative to the cost and administrative effort it would take.
- Don't get rid of it, but it is not a high priority. There are existing pools of money that could be expanded rather than creating a new fund.

E-3 "Found Land": Surplus Land and Other Opportunities

- A lower priority, but seems like an inventory should be prepared on a regular basis.

E-4 Partner with Local Housing Providers

- Vancouver Housing Authority (VHA) has a great relationship with the County Community Development Department.
- The County could expedite permit processing for affordable housing.
- The County could purchase land that becomes available.
- The County is building partnerships with for-profit developers of affordable housing and the VHA has worked with several for-profit developers.

E-5 Enhance Partnerships with Mission-Oriented Acquisition Funds

- A lower priority.
- Could it be expanded to working with individual homeowners?

E-6 State or Federal Funding Tools

- The County could serve as an advocate and support efforts to expand and secure state and federal funding.

Group #2

A. Expand Zoning Permissions for Housing Development

A-1 Reduce Minimum Lot Sizes

- Related to A-1.5 with the possible addition of a strategy for infill housing allowing single-family detached homes on 2,000-3,000-SF lots, question about whether that would be targeted at individual homeowners so that they could divide their property with an existing home, would it work for existing 5-6,000-SF lots? (Consultant clarified that this would not be aimed at those smaller lots which could better take advantage of adding an ADU or other middle housing conversion options.)

A-5 Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4-plexes; townhouses; courtyard apartments, micro-housing)

- A-5.6, which would limit single-family detached in medium-density zones, generated debate about whether this restriction was needed in addition to the “carrot” of additional flexibility to do middle housing in those zones. One member observed that increasing minimum densities for these zones could perhaps have the same effect.
- A-5.7, which would limit townhouses in high-density zones, elicited similar discussion. There may be a natural limit to what density can be achieved through the townhouse form, and that could inform where the minimum density is set in these zones.

A-7 Expand Residential Uses in Commercial Zones

- One member asked for reconsideration of mixed-use areas, to focus on putting commercial uses in primarily residential neighborhoods as the reverse of focusing on adding residential to commercial areas. Example of a small set-aside of neighborhood commercial space that was carved out in 200-home development but that has remained vacant for years. Another goal for planning is to reduce vehicle trips and to help people age in place, and adding in a few walkable blocks in residential areas can reduce vehicular pressure. (See B-2 as well.)

Other ideas and discussion:

- One member saw potential in all of these strategies, but refocused discussion on the nature of the problem that we are trying to solve: if we are trying to get to a \$350,000 target for starter home prices, how can we get there and does this tool help? How much can zoning affect the pricing of the land or the home development? Or is the question about whether we are trying to get affordable rentals?
- Another member voiced support for the importance of affordable home ownership, and encouraging those options through small lots and small homes to make it more attainable.
- One other pointed out how strategies seem to imagine two extremes: detached single-family homes on 5-6,000-SF lots versus multifamily structures. Offered a reminder that cottage developments can be more moderate with a mix of smaller homes and shared amenities that are in demand.

B. Additional Regulatory Strategies

B-1 Reduce Off-Street Parking Requirements

- Initial question about what kind of burden would more site-specific, discretionary parking requirements place upon the County staff and what it would do the permit review timelines. (Consultant clarified that existing options in the code put the burden on applicants to demonstrate that alternative parking ratios would be appropriate for a site, so no experience or models for what that would look like as a County-led analysis.)

- In general, group observation that parking requires land and thus relates to costs both for the parking area and the stormwater facilities to manage those paved areas. Neighborhood-scale stormwater options could help.
- Another member reflected that the parking issue touches on competing objectives: reducing the off-street parking may make the housing more affordable, but can put pressure on the on-street parking option especially if you don't have the transit alternatives and can increase traffic congestion.
- Suggestion by one member to make it an across-the-board one parking space per dwelling requirement for all new dwellings, and leave it to the market to provide any additional parking as desired.
- B-1.6, reducing parking requirements for development near transit, one member was particularly supportive of reducing parking requirements in areas with transportation alternatives. Suggested taking the model further and offering options for parking reductions where residents have access to car sharing or other transportation alternatives, even potentially allowing developers to pay into a fund to support transportation alternatives rather than building parking on-site.

B-2 Revise Ground-Floor Commercial Requirements for Mixed-Use Development

- B-2.1, which would increase ground floor commercial flexibility, was supported by the group to help soften old-fashioned ideas about hard boundaries between residential and commercial. Idea that when you have more dwellings, you have more customers to support those very commercial areas.
- B-2.3, which would explore options to increase access to neighborhood-scale retail and services within residential neighborhoods had a lot of support in the Group. Group members liked the idea of small grocery stores and other small-scale retail, particularly to support aging in place. There was support for economic development efforts to partner with CREDC to support this small-scale development and entrepreneurial business efforts to make these spaces successful.
- One member reflected that even setting aside a Neighborhood Commercial parcel in a residential neighborhood is no guarantee; those are often the last parcels to be redeveloped and there is often pressure to rezone to allow just residential.

B-3 Simplify Design Standards

- B-3.1, which would revisit the Highway 99 plan's approach to residential areas to reduce complexity while promoting desired form, was recognized to have some validity with the observation that it would take additional analysis to make that pay off.
- B-3.2, which would revise cottage housing standards, generated support for achieving affordability and quality of life through smaller dwellings. There was support for opportunities to use smaller square footage dwellings if they are designed cleverly, intelligently and imaginatively including a balance of indoor and outdoor spaces, but caution that some of the dwellings currently being developed with small footprints and two stories would not be great to

support aging in place. Support for one-story cottages that are age-friendly. Support for underlying design concept of “proportionality,” making all site aspects from dwelling footprint to parking area to garden areas all proportionally scaled and smaller, rather than trying to maximize dwelling footprints on small lots.

Other ideas:

- Encouraging even higher densities in areas where infrastructure can support it, to make good use of investments.
- Regional stormwater facilities, which would require County coordination but could have huge benefits.

E. Funding Options

E-1 Existing or New Local Option Taxes and Levies

- It sounds like what we are talking about is identifying more funding for housing development or getting costs down for housing developers. Do we know how much money is coming back from REET?
- One member suggested the possibility of requiring private, market-rate developers to pay into an affordable housing fund or build affordable units integrated into their projects. (Consultant clarified this is often called inclusionary zoning and had not been identified as a priority strategy to date.) Another group member clarified that it has been difficult to find the right balance between a meaningful contribution to affordable housing without making projects unprofitable.
- One member suggested that there could be an opportunity to explore using the Tax Increment Financing (TIF) to create a new tax on residential development, which a developer could have waived by including a certain number of affordable units within a project.

Group #3

B. Expand Zoning Permissions for Housing Development

A-1 Reduce Minimum Lot Sizes

- A-1.1, reducing minimum lot sizes for single-family detached in low-density residential districts, was supported by members of the group. Reducing minimum lot sizes could be good for older adults. There was interest in the idea of a small-lot subdivision that doesn’t use the term cottage housing. This strategy could be a more efficient/alternative to cottage housing to get at smaller single-family lots.
- A-1.2 which would reduce minimum lot sizes for townhouses to 2,000 square feet or smaller in the medium density zones was also supported as a way to encourage townhomes with smaller lot sizes and flexibility

- A-1.4, introducing minimum lot sizes for triplexes and quadplexes where proposed in low and/or medium density zones that are less than the current lot area per dwelling unit, was a priority for some members of the group.
- A-1.1 and A-1.5 seemed closely related to group members. In general, the group is supportive of reducing lot sizes

A-2 Require a Minimum Density

- A-2.1 which would increase the minimum density in high-density zones, received feedback as having good intentions, but there were questions about the unintended consequences of things like lot dimensions and how environmental constraints would factor in.

A-3 Increase or Remove Density Limits

- A-3.1, which would revise the maximum density standards to align with revisions to minimum lot sizes, was considered a low priority.

A-4 Upzone

- A-4.1 and A-4.2, which would designate more high-density and medium-density residential land, respectively, could be more important longer term. Group members supported prioritizing A-4.2 over A-4.1. If they were to target an area to focus on, they recommended looking at the 179th St. area where urban holding was recently lifted.
- A-4.4, which would have all the jurisdictions in the county revisit the 75/25 split countywide planning policy during the next comprehensive plan update had support in checking to see if it still makes sense or not.
- A-4.3, which would create an R1-2.5 zone for low-density residential permits, had support to consider further.

A-5 Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4-plexes; townhouses; courtyard apartments, micro-housing)

- A-5.1, which would permit duplexes throughout all low-density residential zones, raised concerns for some group members. They want to be careful with this type of change and probably not allow duplexes everywhere.
- A-5.2, which would introduce triplexes and quadplexes in low and medium-density zones, raised similar concerns as A-5.1 about allowing these types of housing anywhere.
- A-5.4, which would introduce courtyard apartments in medium-density zones, received support from the group. They thought it could be a good opportunity for both small multifamily development and smaller “Mom and Pop” developers.
- A-5.8, which would create a middle housing overlay for low-density residential areas that allow middle housing types on smaller lots/at greater densities, was viewed as a way to get at the above concerns about allowing certain “new” types of housing everywhere.

A-6 Offer Density and/or Height Incentives for Desired Unit Types

- A-6.1, which would offer a bonus density and/or height for larger multifamily projects in high-density zones, was viewed as a low priority.

A-7 Expand Residential Uses in Commercial Zones

- In general, expanding residential uses in commercial zones is hard for Council because once the commercial parcels are gone, they're gone. The group discussed how the financing can be easier with the separation of commercial and residential in separate buildings. However, overall, this didn't seem like a top priority for the group.
- A-7.2 which would rezone selected commercial properties for high-density residential use was not supported by some of the group. They also raised the question that if it was allowed, would the market even drive it?

Other discussion by the group at the end of the Category A conversation

- One member suggested keeping all strategies on the table and not removing ideas because we won't know if they will be successful unless we try implementing them.
- Another perspective in the group was that the recommendations would need some prioritization and many ideas can only be implemented if Council adopts the changes.
- It was also noted that the group needs to keep in mind that the community may have a different response to some ideas.
- Additional general recommendations for category A were to target changes for affordable housing and not across the board blanket changes.
- There was also discussion about interest in creating market capacity.

C. Additional Regulatory Strategies

B-1 Reduce Off-Street Parking Requirements

- In general, parking reductions were viewed as a touchy topic and there was interest in being really careful about any changes.
- There was interest in building flexibility without making it too complex to implement.
- There was interest in creating site by site flexibility.

B-2 Revise Ground-Floor Commercial Requirements for Mixed-Use Development

- B-2.1, which would increase ground floor commercial flexibility, raised concerns about not wanting to give away job producing land and the need to be really clear with the boundaries if we were to pursue something like this.
- B-2.3, which would explore options to increase access to neighborhood-scale retail and services within residential neighborhoods, had a lot of support in the group. Group members liked the idea of increased flexibility in the Neighborhood Commercial zone and liked it as an accessible option for those who may want nearby amenities and may have limited mobility.

B-3 Simplify Design standards

- B-3.1, which would revisit the Highway 99 plan's approach to residential areas to reduce complexity while promoting desired form, received support for simplification and reliance on the same residential code inside and outside the Hwy 99 overlay. This was a high priority for some members of the group and was viewed as a good way to remove barriers to building in this area. One example that was provided: the county can get grant funding for 6-foot sidewalks, but the Highway 99 code requires 8-foot sidewalks in some places.
- B-3.2, which would revise cottage housing standards, had general support from the group to look at the standards and consider any adjustments needed.
- B-3.3, which would revise the open space and recreation area requirements for larger multifamily projects, had some support in the group, and it was mentioned that we didn't want to give up all open space requirements.

B-4 Revise ADU Standards

- B-4.1, which would revise ADU standards, had general support from the group. They wanted to make sure, with any possible changes, that we pay attention to maintaining the quality of the existing neighborhood and are cautious about what requirements are loosened.

B-5 Manufactured Home and Tiny House Communities

- B-5.1 would consider taking measures to add protection to existing manufactured home parks due to displacement concerns. One group member was more hesitant about this option without much more work and analysis.
- B-5.2, which would explore the potential for RVs and tiny homes as lower-cost residential opportunities, such as allowing them in more places, had general support from some group members.
- Additional discussion: Community Roots Collaborative will have a tiny home demonstration project done soon that we can learn from.

E. Funding Options

E-1 Existing or New Local Option Taxes and Levies

- E-1.1 which would revise impact fees so that they are less for smaller units generated discussion about what was possible with impact fees. For instance, there was a suggestion to increase impact fees for larger units if you decrease them for smaller units. There was interest in making sure the approach is equitable and not regressive. There were questions about how much flexibility the county has with impact fees. **ACTION ITEM:** project team to do more research on impact fee laws to confirm where there is room for flexibility and where there is not.

E-2 Local Housing Trust Fund

- No comments

E-3 “Found Land”: Surplus Land and Other Opportunities

- Faith based projects could be included under this strategy. Faith Partners for Housing, for instance, is trying to mobilize churches to become developers. They are engaging with 6 or 7 large denominations right now.
- There’s an opportunity to partner/co-partner and help the faith entity develop their property. Faith entity-owned land has a lot of latitude and can provide flexibility. Could be a win-win for both the faith congregation and for the community. Could see some demonstration projects related to this.
- Need ways to partner across sectors

E-4 Partner with Local Housing Providers

- Could do pro-formas with developers and put packages together based on the project proposals.
- Could pursue demonstration projects with early adopters as a way to try and do things differently.
- Feedback from developers on advisory group ideas could be helpful – developers are creative and good at finding barriers.

E-5 Enhance Partnerships with Mission-Oriented Acquisition Funds

- Look at capital opportunities from private entities too, such as the Community Foundation of SW Washington.
 - The Community Foundation is looking at Community Investment Funds. There are lots of corporate entities who want to step up and support their community
 - Banks have Community Reinvestment Act funds that could be a resource too
- Could the county pursue a strategy to provide some direction and help fuel investment?

E-6 State or Federal Funding Tools

- Community Land Trust model could be added as a funding option, where a land trust acquires property and administers it over a long period of time. This could meld with a community investment approach. Cost of land is a key piece to the puzzle and help is needed. Habitat for Humanity has moved in the land trust model direction. Broader scale, it could be a helpful too.

Report Back

- Talked about regulatory strategies and are interested in changing requirements to allow more residential in commercial zones and adding to the vitality of existing residential neighborhoods by introducing neighborhood commercial.
- How to use transit and car-sharing to support reductions in parking requirements.
- What cottages could be like and making development smaller scale to meet a variety of

different needs, making homeownership more viable and providing spaces for people to age in place. Maintain amenities and quality of life, but in a more intelligent package.

- Interest in reviewing code and development standards around Hwy 99 and finding ways to simplify that code. How do we increase flexibility but make sure the parameters are clear? Look for additional flexibility around cottage housing and ADUs. Think it through to avoid unintended consequences.
- Partnerships with the private development community and faith-based community around surplus land and testing out ideas.
- Interest in expanding housing options on smaller lots.
- Support for the strategies in Category A.
- Support for most of Category B, but some hesitancy around reducing off-street parking requirements and density bonuses to make sure there are criteria and the tools are calibrated appropriately.
- Manufactured home parks and importance of protecting existing parks from displacement. Also concern about rent increases.
- County is using a lot of different funding tools and working with nonprofit and for-profit partners. Role for the County to be an advocate for state and federal funding.

Public Comment

- I live in a manufactured home community and had our rent raised. We don't see any improvements that these increases should be paying for. Would like to know more about manufactured home park finances and why increases are needed.
- Want to protect manufactured home parks from being converted to market rate developments.

Next Steps

The next PAG meeting is scheduled for August 24th. We will discuss the final strategy categories before taking a break in September. The PAG will reconvene in October to review a revised and prioritized set of strategies.

Adjourn

Jenna adjourned the meeting at 5pm.